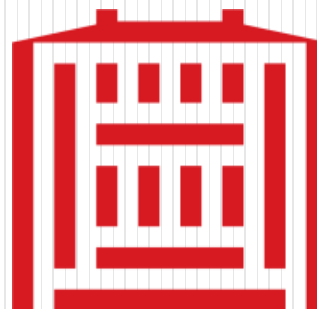


Strengthening Social Dialogue for Just Transitions and Democratic Governance in North Macedonia

Comparative Insights from North Macedonia and Hungary

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Why Social Dialogue Matters Today

- Multiple transitions — environmental, digital, demographic, political.
- Social dialogue = society's stabiliser in times of change.
- Builds **trust, resilience, and democratic participation.**
- *“Social dialogue is both a means and an end — it builds democracy while achieving development.”*
— **ILO, Guidelines for a Just Transition (2015)**



What is Social Dialogue?

- **ILO Definition:** All types of negotiation, consultation or exchange of information between governments, employers, and workers.

- **Forms:**

Tripartite – includes government, employers, and workers

Bipartite – direct negotiations between employers and workers

- **Levels:** national, sectoral, enterprise, and local
- **Goals:** promote consensus, improve working conditions, prevent conflicts, and ensure social justice

“Social dialogue is both a means and an end – it builds democracy while achieving development.” — ILO (2015)



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The Link Between Social Dialogue and Democracy

- **Social Dialogue & Democracy**
 - Democracy is not built only through elections — but through participation.
 - Social dialogue gives people a voice — as citizens, workers, and employers.
- European Social Survey (2023)
 - High collective bargaining → **Trust in government: 60 %+**
 - Weak dialogue → **Trust in government: < 25 %**
- *ILO Governance Indicators (2022)*
 - Strong link between active dialogue and satisfaction with democracy..

Social dialogue turns democracy from a periodic event into a living process



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What Does a “Just Transition” Really Mean?

- Balance between **people** and **planet** - making change fair.
- *ILO (2015)* → Transform economies for sustainability + decent work
- *Eurostat (2024)*
 - EU: +2.6M green jobs (+38%)
- *UNDP North Macedonia (2024)*
 - ~9,000 new green jobs
 - 30% of workers need re-skilling by 2030

**“Sustainability is not only ecological —
it’s human.”**



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From ILO standards to the EU Green Deal

- *ILO Guidelines for a Just Transition (2015)*
 - Conventions 87, 98, 144 → foundation for tripartite dialogue
- *EU Green Deal (2019)*
 - Climate neutrality by 2050
- *Just Transition Fund (2021–2027)*
 - €19.3 B EU budget + €25.4 B national co-funding
 - Western Balkans: €3.4 B Green Agenda support
 - North Macedonia: ~€200 M via EIP Guarantee Facility

**Participation of social partners = key for
fairness and legitimacy**



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Democratic Governance and Social Dialogue

- *Institutions that transform participation into decision-making*
- *North Macedonia (MLSP, 2024)*
 - Economic and Social Council → 120+ sessions held
 - 8 active Local Economic and Social Councils (LESCs)
 - Only ~40% of municipalities with functional councils
- *European Commission (2024)*
 - Social partner participation remains limited in key reforms
- *Social dialogue becomes governance when participation becomes practice.*

**Democracy is not about who rules —
but how we rule together**



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The Legal and Institutional Framework of Social Dialogue in North Macedonia

- *Constitution (Art. 32)* → guarantees collective bargaining & union rights
- *Law on Labour Relations (2005)* → defines bipartite & tripartite dialogue
- *Institutions:*
 - Economic and Social Council (ESC) – national level
 - Local ESCs – active in 8 municipalities
- *ILO / Eurofound (2023)*
 - Collective bargaining coverage: **22–25% (vs 61% EU)**
 - Union density: **17% (vs 33% EU)**
- *MLSP Report (2024)* – 80+ collective agreements in force
- *Institutions exist — but dialogue must be lived, not just legislated.*

“Institutions can exist without democracy — but democracy cannot exist without dialogue.”



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Achievements and Challenges in Practice

- *Achievements:*
 - ESC institutionalised → 120+ sessions since 2010
 - 8 active Local ESCs → local participation & decentralisation
 - Involvement of women's and youth associations (Štip, Strumica)
- *Challenges:*
 - ESC recommendations not binding
 - Union density remains low
 - Collective bargaining coverage <25%
 - Political discontinuity & limited trust
- *North Macedonia has built the structure of dialogue — now it must build its spirit.*

“North Macedonia has established the structure of social dialogue, but it still needs to establish the spirit of it.”



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Case Study: Minimum Wage Negotiations in North Macedonia

- *Annual ESC consultations* → Government + Unions (SSM) + Employers (OEM)
- *Evolution of Minimum Wage:*
 - 2017 → 10,080 MKD (€163)
 - 2023 → 20,175 MKD (€328) → **+100% nominal increase**
 - Real growth (adjusted): **+52%**
- *Formula (ESC, 2023)* → 60% of average wage + inflation indexation
- *Aligned with EU Directive 2022/2041 on Adequate Minimum Wages*

**“No just transition without fair wages — and no fair wages without social dialogue.” —
European Commission, 2022**



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Comparative Perspective: North Macedonia vs. Hungary

Aspect	North Macedonia	Hungary
Institutional strength	Moderate – ESC established in 2010	Strong structure, but centralised
Union density	~20%	~25%, declining
Collective bargaining coverage	Low (20–25%)	Medium, but shrinking
Government influence	High	Very high
Dialogue culture	Developing	Formalised but constrained
EU alignment	Candidate country aligning with EU Pillar	EU Member State, applying EU law

Key Insight: Both countries have institutions — but real dialogue depends on autonomy, trust, and political will.

Role of Social Partners in Just Transition

- **Trade Unions:**
 - Protect workers' rights, promote decent work
 - Participate in green skills & re-skilling programmes
- **Employers:**
 - Invest in innovation, green technologies, up-skilling
 - Align sustainability with competitiveness
- **Government:**
 - Facilitate dialogue, design fair policy frameworks
 - Ensure shared benefits and costs
- *Virtuous Triangle*: Power + Responsibility + Trust = Transformation

**“A just transition is a shared project —
no one can do it alone.” — ILO, 2019**



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Employment, and Green Jobs Skills: The Heart of a Just Transition

- *You cannot have a just transition without a skills transition* — ILO, 2021
- *EU (CEDEFOP, 2024)* → 18M workers need re-/up-skilling by 2030
- *North Macedonia (UNDP, 2024)* → 25–30% of workforce affected
 - *Re-skilling* → training for new jobs
 - *Up-skilling* → improving current skills
 - *Universities* → shaping professionals for green & digital economies

Green jobs = sustainability + decent work



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Inclusion and Equality: Who Is the Transition For?

- *Eurostat (2024)* → Women = 32% of green workforce (EU average)
- *UN Women (2023)* → Women overrepresented in climate-vulnerable jobs
- *North Macedonia (SSO, 2024)* →
 - Female employment: **47%** (men: 64%)
 - Youth unemployment: **23%**, young women: **27%**
- *ILO (2015), UN Women (2022)* → Inclusion = key to sustainability

“If the transition is not inclusive, it will not be sustainable.” — UN Women, 2022



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Barriers to Effective Social Dialogue

- *Key Findings (ILO Expert Mission 2021; EC Report 2024)*
 1. **Lack of trust** – only 28% of citizens, 35% of union members perceive real impact
 2. **Political interference** – frequent changes in ESC composition
 3. **Weak representativeness** – reflecting limited organisational strength of trade unions;
 4. **Limited capacity** – few analytical staff, scarce data support
 5. **Formalism** – meetings without follow-up or evaluation

**“Institutions can be designed overnight-
trust cannot.” - ILO, 2021**



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From Barriers to Solutions

- *Building Stronger Democratic Dialogue*

1. **Participation** → **Legitimacy** – Include youth, women, SMEs
(local pilots: ex. Stip, Strumica)

2. **Transparency** → **Trust** – Public ESC deliberations ↑ trust +15–20% (Eurofound, 2023)

3. **Capacity Building** → **Equality** – ILO–EU training for social partners (2022–2025)

4. **Evidence-Based Approach** → **Credibility** – National Labour Observatory (proposal 2024)

5. **Accountability** → **Continuity** – Annual ESC progress report to Parliament

**“From deciding for people → to
deciding with people.”**



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Steps Forward: Strengthening the System

1. *ESC Autonomy* → Stable budget & independent research (Croatia/Slovenia model)
2. *Capacity Building* → Joint Training Centre for Social Dialogue (ILO, 2023)
3. *Diversity & Inclusion* → Women co-chairs (3/8 LESC), Youth <10%
4. *Sectoral Dialogue* → Pilot schemes in textiles, health, education
5. *Integrated Dialogue* → Embed in green, digital, social reforms

**“Dialogue is not a luxury of rich democracies
- it is the path to becoming one.”**



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Conclusion

- ✓ *Social dialogue = language of democracy*
- ✓ *Trust, representation, responsibility → built through dialogue*
- ✓ *Just transitions succeed only when designed together*
- ✓ *Democracy doesn't live in documents — it lives in conversations*



Thank You



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